

**CONCERNS OVER AGGREGATOR ALGORITHMS**

# Restaurants Bat for New GST Structure

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**New Delhi:** A group representing restaurants in India has sought a multi-layered goods and services tax structure for the sector in the upcoming budget to improve tax collections and attract investments.

The National Restaurant Association of India has also asked for a minimum moratorium of six months on bank loans and a policy to regulate their partnerships with food delivery aggregators.

"Our primary concerns are around the lack of data sharing by aggregators and marketplace owners, which are following opaque algorithms, unilateral decision-making on listings and year-round platform-driven discounts," the NRAI, which represents half a million restaurants and bars in India, said in the letter to finance minister Nirmala Sitharaman.

The association said the current GST regime for restaurants has placed an additional burden on operating costs for the already stressed sector and has increased the capital outflow on new projects by almost 20%. It said a multi-layered GST structure would

help to improve collections and bring in fresh investments.

The existing 5% GST rate without input tax credit is "structurally flawed" and doesn't distinguish between a kiosk and a five-star outlet, NRAI said.

"This needs to change. A logical, revenue-based variable GST rate structure, which will not burden the small players and at the same time help larger organised players and improve the GST collections" is needed, the association said.

**NRAI said the current GST regime for restaurants has placed an extra burden on operating costs**

NRAI president Anurag Katriar said with almost 30% of the restaurants shutting down after Covid-19 restrictions and the remainder operating at a much-reduced capacity, about 3 million jobs have already been lost. The association said food services was "one of the most adversely impacted" sectors.

"With an erstwhile annual turnover of approximately ₹4 lakh crore and providing direct employment to over 7 million Indians, the restaurant industry today is in a very precarious situation, fighting a grim battle for its survival," the letter stated.